

Lanesboro Public Utilities
Council Chambers
September 16, 2013

Commissioners Present: Gerald Evenson, Chair
Dennis Schuck
Theresa Coleman

Staff Present: David Todd
Jerod Wagner
Jim Peterson

Regular Meeting

Commissioner Evenson called the meeting to order at 11:40 a.m. Commissioner Coleman moved to adopt the agenda with the additions of item E) Water Usage for Sand and Gravel, F) Jerry Flaby Water Leak, G) Hwy 250 Campground Testing, H) UMMPA Update, I) PV Update, J) Interfund Loan for Fire Department. Motion was seconded by Commissioner Schuck. Motion carried.

Commissioner Coleman moved to approve the minutes of the August 19, 2013 meeting. Motion was seconded by Commissioner Schuck. Motion carried.

New Business

A. Electric, Sewer/Water Rate Increase

Commissioner Coleman provided the PUC with an overview of the proposed rate increases for the 2014 Budget. Coleman stated that in order to cover the costs of upcoming projects, the base fees for electric, water, and sewer need to be increased by 20%. She stated that the debt service fund for sewer (1996 PFA Loan) is represented by a 50%/50% split in base rates for water and sewer to cover the cost. Coleman indicated that the Trash fund is a wash in terms of expenditures and revenues. Electric rates increase by 3% as a general rule; however, Jared Wagner indicated that Dairy Land indicated that the purchase power rates are going to increase by 7.5% in 2014. Coleman recommended changing the electric rate to reflect the 7.5% rate increase. Coleman also stated that the PUC consider an increase of 10% for per gallon water usage fee to \$.0041 with the sewer base change from \$14.50 to \$15.95 along with the \$.0041 per gallon usage charge. She indicated that there is no difference between residential and commercial water/sewer base fee.

B. 2014 Preliminary Budget

Commissioner Coleman proposed, along with the rate changes to the 2014 budget, a miscellaneous budget line item request from the EDA for funding and a vehicle replacement schedule reflected in the capital outlay line item of \$10,000. Commissioner Evenson indicated that the request for the EDA funding would be something to think about. He also indicated that the figures be placed before the City Council for approval prior to January 1, 2014.

C. Ordinance- Rates and Fees

Commissioner Coleman recommended that the PUC adopt the Minnesota Basic Code of ordinances for proposal to the City Council prior to January 1, 2014 and for the PUC to look at the current fee schedule and compare it to current ordinance

Regular Business

A. Paying Bills

Commissioner Evenson moved to pay expenses of the Public Utilities. Motion seconded by Commissioner Schuck. Motion carried.

B. Radium Update

Jared Wagner stated that TONKA was at the well house for the pilot project. He indicated that TONKA needed the hydrant flushed for approximately three days.

C. Ray Norum Trash Waiver

Commissioner Evenson stated that this issue should be taken up by the City Council. He indicated that in the past, the Council had not looked favorably upon a waiver.

D. Next Meeting: October 21st, 2013 at 12:30 p.m.

E. Water Usage for Sand and Gravel

Jared Wagner stated that Sand and Gravel have been filling their ballast trucks with water from Lanesboro. He indicated that the water is not metered. He stated that the truck drivers have not been writing down the amount of water used, although they should know how much each truck holds and provide the amount to the city. Commissioner Evenson stated that the city should meter the

water from the hydrant and provide Sand and Gravel with an average amount used.

F. Jerry Flaby

Jared Wagner indicated that there is a small water leak on the Flaby property that is the responsibility of the owner. He indicated that the water leak amounts to roughly 300,000 gallons per year. Lanesboro city ordinance was consulted and there is no language directly relating to this issue. City Administrator will seek advice from the City Attorney on how to proceed.

G. Hwy 250 Campgrounds

Due to recent flooding, the Hwy 250 Campgrounds has had issue with the electric line box shut-off. Specifically, the shut-off is in a bad location and susceptible to water during flooding, which could cause fire and or electric shock. The city has installed cut-offs from the road but have not been able to persuade the owner of the campground to relocate the electric line boxes. Jared Wagner stated that he suggests having a letter sent to the owner from the City Attorney advising him to relocate the boxes. As of the typing of these meeting minutes, Jared Wagner had indicated that the owner of the campground has initiated relocation of the line boxes. No further action is needed at this time.

H. UMPA Update

Jared Wagner stated that on November 13th, 2013 UMPA will host a meeting in the Lanesboro Community Building and advised that the PUC and City Utility employees are invited. He also stated that Dairy Land stated that there will be a 7.5% increase in water purchased. He also stated that there was an accounting error discovered in Lanesboro's favor by Dairy Land for approximately \$2,000-\$3,000.

I. PV Project

Jared Wagner stated that Lanesboro PU needed to raise \$20,000 dollars to fund the project. He indicated that there is \$20,000 in CIP money to bring the total up to \$47,000 in order to move forward with phase 2. He indicated that the was going to talk with the school and present this as a science curriculum and ask for donations.

J. Interfund Loan

A request of the PUC was made to assist in dealing with a budget deficit for the fire department in the amount of \$136,000. The request was for an interfund loan from the PUC to the City to offset the deficit in the fire fund. The city would then be obligated to repay the PUC with an agreed upon interest until the loan

is paid back. Commissioner Evenson stated that the PUC needs to figure out if the funds available are adequate to make the loan without jeopardizing and repayment to current debt obligations and obligations to current projects. He indicated that more information is needed before a decision was made.

Adjourn: Commissioner Evenson made a motion to adjourn the PUC meeting at 2:00 p.m. Motion was seconded by Commissioner Schuck. Motion carried all in favor.

Respectfully Submitted:

David Todd
City Administrator